

**GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION  
LOK SABHA  
UNSTARRED QUESTION NO. 2110  
TO BE ANSWERED ON 20/12/2022**

**Health of Cooperative Societies**

**2110. SHRI T.R. BAALU:**

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) whether the Cooperative institutions functioning in various sectors including Agriculture, Finance, Credit, etc. have become slide due to the dominance of corporate sector business and lack of the Government support and if so, the details thereof;
- (b) the number of Cooperative Societies/organic sections closed down in the last three years due to non-viability; and
- (c) the steps proposed to be taken by the Government to improve the health of Cooperative societies in the country?

**ANSWER**

THE MINISTER OF COOPERATION

सहकारिता मंत्री (SHRI AMIT SHAH)

(a) to (c): As per Ministry of Cooperation's mandate to strengthen the cooperative movement in the country and promote cooperative-based economic development model, the Government is working towards transforming cooperatives into vibrant economic entities and bring them at par with other economic entities both as beneficiaries and participants.

As per Part IX B of the Constitution of India, incorporation, regulation and winding up of multi-State cooperative societies comes under the purview of Central Government; while as per List – II of Seventh Schedule to the Constitution, incorporation, regulation and winding up of cooperative societies registered under State Cooperative Societies Acts comes under the purview of respective State Governments/UT Administrations. Therefore, data on number of cooperative societies, other than those registered under the Multi State Cooperative Societies Act, 2002, is not maintained in the Ministry of Cooperation. However, as far as multi-State cooperative societies are concerned, 27 societies have been put under liquidation in the last three years.

The Ministry has taken various initiatives to improve the health of cooperative societies in the country such as:

- i. Project for Computerization of 63,000 functional Primary Agriculture Credit Societies (PACS), in next three years, with a total financial outlay of ₹2,516 Crore has been approved by the Cabinet Committee on Economic Affairs vide its decision dated 29<sup>th</sup> June, 2022. This project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs).

- ii. Model bye laws for PACS have been prepared after detailed stakeholder consultations, including all the States/ Union Territories and Ministries concerned, for adoption by PACS as per their respective State Cooperatives Societies Act. These Model Byelaws of PACS will enable them to undertake more than 25 business activities like dairy, fishery, floriculture, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/ Petrol/ Green energy distribution agency, banking correspondents, common service centres, etc.
- iii. On 1st June, 2022, Union Cabinet has taken a decision allowing cooperatives to register as 'buyer' on Government e-Marketing platform, enabling them to procure goods and services from nearly 40 lakh vendors registered on the GeM portal throughout the country. This will help cooperatives in making savings and improving transparency in their procurement system.
- iv. Surcharge on Co-operative societies was reduced from 12 % to 7% for those co-operative societies having a total income of more than Rs. 1 Cr. and up to Rs. 10 Cr. to enhance the income of Co-operative societies and its members.
- v. Minimum Alternate Tax (MAT) rate reduced for the Co-operatives from 18.5% to 15% to provide them a level playing field with Corporates.
- vi. In order to provide adequate, affordable and timely credit to the co-operative institutions to give a boost to the co-operative based economic development model, non-scheduled Urban Co-operative Banks, State Co-operative Banks and District Central Co-operative Banks have been notified as Member Lending Institutions in Guarantee Fund Trust (CGTMSE) Scheme vide circular dated 3<sup>rd</sup> February, 2022.
- vii. Government vide its notification dated 25th October, 2021 offered a major relief to co-operative sugar mills by clarifying that sugar co-operative mills shall not be subjected to additional income tax for paying higher sugarcane prices to farmers upto the Fair and Remunerative Price (FRP) or State Advised Price (SAP), as the case may be.
- viii. National Cooperative Development Corporation (NCDC), a statutory organization under the Ministry of Cooperation, provides financial assistance to the cooperative sector and undertakes various activities such as strengthening share capital base of primary/ District cooperative marketing societies, setting up of processing centres, storage facilities, establishing and modernizing cold chain, creation of cooperative banking units, agricultural services, Integrated Cooperative Development Projects, assistance for computerization of cooperatives, 'Yuva-Sahkar' for cooperative enterprise support and innovation, 'Ayushman Sahkar' covering healthcare sector, 'Nandini Sahkar' to support women cooperatives, etc.

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